

FOREIGN POLICY

U.S. urges Ukraine to stay quiet on Russian pipeline

The Biden administration is asking an unhappy Ukraine not to make waves, as it nears Russia-Germany pipeline agreement.



Secretary of State Antony Blinken said last month that the pipeline's completion is a fait accompli. | Chip Somodevilla/Getty Images

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In the midst of tense negotiations with Berlin over a controversial Russia-to-Germany pipeline, the Biden administration is asking a friendly country to stay quiet about its vociferous opposition. And Ukraine is not happy.

U.S. officials have signaled that they've given up on stopping the project, known as the Nord Stream 2 pipeline, and are now scrambling to contain the damage by striking a grand bargain with Germany.

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At the same time, administration officials have quietly urged their Ukrainian counterparts to withhold criticism of a forthcoming agreement with Germany involving the pipeline, according to four people with knowledge of the conversations.

The U.S. officials have indicated that going public with opposition to the forthcoming agreement could damage the Washington-Kyiv bilateral relationship, those sources said. The officials have also urged the Ukrainians not to discuss the U.S. and Germany's potential plans with Congress. A senior administration official disputed this reporting, noting that the situation is more nuanced than that, but declined to share further details on U.S. officials' talks with their Ukrainian counterparts.

American negotiators and diplomats have signaled that they have given up on blocking completion of the pipeline, known as Nord Stream 2, which will ship

blocking completion of the pipeline, known as Nord Stream 2, which will ship cheap natural gas from Russia to Germany and stands to be a boon for Moscow.



In the meantime, they have been trying to mollify a key regional partner in Ukraine — which stands to lose the most from the pipeline’s ultimate completion — and rebuild the frayed U.S. relationship with Germany, which supports the pipeline. President Joe Biden and German Chancellor Angela Merkel did not reach an agreement on how to handle the matter when she visited Washington last week, [Reuters reported](#). Biden said after meeting with her that “good friends can disagree.”

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In ongoing talks with Germany, U.S. officials are trying to limit the risks the pipeline will present to Ukraine and to European energy security, the official told POLITICO. American and German officials are in talks about the pipeline and its impact on Ukraine, that official added. They are looking for ways to reduce the damage it does to the young democracy.

Secretary of State Antony Blinken said last month that the pipeline's completion is a fait accompli. The senior administration official said the U.S. has concluded that sanctions will not be able to block the pipeline's completion.

The administration's position is at odds with much of Congress and with the Ukrainian government and other Eastern European allies, who have long held that U.S. intervention can still block completion of the pipeline, which is nearly completed.

The four people familiar with the situation, including a congressional source with direct knowledge, described the dynamics on condition of anonymity to discuss sensitive matters. Details began circulating around Capitol Hill late Monday.



U.S. officials' pressure on Ukrainian officials to withhold criticism of whatever final deal the Americans and the Germans reach will face significant resistance.

A source close to Ukrainian President Volodymyr Zelensky said that Kyiv's position is that U.S. sanctions could still stop completion of the project, if only the Biden administration had the will to use them at the construction and certification stages. That person said Kyiv remains staunchly opposed to the project.

Meanwhile, the Biden administration gave Zelensky a date for a meeting at the White House with the president later this summer, according to a senior administration official.

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Critics of the forthcoming U.S.-Germany pact over the pipeline say it will mainly serve Russia's interests and harm ties between Washington and Kyiv.

"It's unbalanced and unfair that Russia gets a huge reward and Ukraine is flogged over criticism," said Alina Polyakova, the president and CEO of the Center for European Policy Analysis. "It's 100 percent true that if Trump did this," everyone would go nuts, she added.

The U.S. put sanctions on the pipeline during the Trump administration that stalled the project. Germany's finance minister tried to make a deal with the Trump administration that would have funded the import of U.S. liquefied natural gas to Europe in exchange for withholding sanctions on the pipeline,

according to Environmental Action Germany, [as KFE/ KL reported](#). But Trump did not take the deal and there were disagreements within the administration about how far to go with sanctions, prompting Congress to beef up the U.S. sanctions regime.

Republicans and Democrats in Washington have long opposed the pipeline, which would run from Russia to Germany and significantly increase Western Europe's dependence on Russia for energy.

"It's doubling down on gas energy imports from Russia rather than investing in diversification of energy sources — green energy in particular," Polyakova said. "As long as you get cheap Russian gas, why invest in other energy sources?"

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Biden and Merkel present united front — but still don't see eye to eye on Nord Stream 2

BY MAEVE SHEEHY

The new pipeline would also be a body blow to Ukraine's economy, as Russia pays billions of dollars in transit fees on the gas that passes through Ukraine on its way to Europe.

Nord Stream 2's opponents say it would also reduce Ukraine's leverage in peace talks with Russia, whose incursions into eastern Ukraine have drawn international condemnation.

Congress approved a slate of mandatory sanctions last year aimed at crippling the pipeline, amid bipartisan concerns about its completion. The Biden administration earlier this year declined to fully impose those sanctions as it works to rebuild the U.S.-Germany relationship, which suffered under Donald Trump. In the meantime, though, Sen. Ted Cruz (R-Texas) has been holding up key State Department nominees in order to pressure the administration to impose the sanctions.

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Completion of the pipeline has long been a priority for Berlin, which sees relatively inexpensive Russian natural gas as a way to wean itself off dirtier coal. Biden, meanwhile, has called the pipeline “a bad deal for Europe” and has maintained that the U.S. does not want to see it completed.

Biden’s allies on Capitol Hill have been especially frustrated with his posture on the pipeline, pushing his administration to impose mandatory sanctions on pipe-laying vessels and other entities involved. That includes Nord Stream 2 AG, the company that has been running point on the pipeline’s construction.

Derek Chollet, an adviser to Blinken, is visiting Kyiv this week to seek Ukraine’s support. He’s also stopping in Poland — where the U.S. recently inked an energy security agreement worth billions — to try to quell criticism from elsewhere in the region. The Polish government has called the pipeline a threat to regional energy security, [as Reuters has reported](#).

The Nord Stream 2 pipeline has bedeviled U.S.-Germany relations for years. Nearly complete, the 764-mile long pipeline under the Baltic Sea is seen in Berlin as key to its energy security and in Moscow as a way to expand influence in Europe while filling its coffers. Some, like former top Pentagon official for Ukraine policy Evelyn Farkas, said she would’ve “preferred” the Biden administration “wait for after the elections in Germany” before making this deal.

Merkel, who was in Washington last week, will leave office later this year.

Many in Washington continue to oppose the pipeline over concerns it mainly benefits Russia, and both Democrats and Republicans have urged the Biden administration to block Nord Stream 2’s completion.

That has led to friction. In May, the administration waived congressionally mandated sanctions on the pipeline because they [argued such measures would harm U.S.-German relations](#), earning Biden and his team a [strong rebuke from normally friendly political allies](#).

“The administration has said that the pipeline is a bad idea and that it is a Russian malign influence project,” Sen. Bob Menendez (D-N.J.), chair of the Senate Foreign Relations Committee, said at the time. “I share that sentiment, but fail to see how [the waiver] decision will advance U.S. efforts to counter Russian aggression in Europe.”

Meanwhile, Ukraine fears that a completed Nord Stream 2 will minimize its role as a transit nation for energy flowing from Russia into Europe. German officials, meanwhile, have tried unsuccessfully to reassure Kyiv.

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“For us, Ukraine is and will remain a transit country even once Nord Stream 2 is completed,” [Merkel said last week during a press conference alongside Zelensky in Berlin](#). “There are big worries about this on the Ukrainian side and we take those seriously,” she continued, adding “the European Union and Germany will see to it that this continues in the future beyond 2024.”

Farkas, the former DoD official, questioned whether haggling over the pipeline with allies and partners was truly the best use of the administration’s time. “This is the craziest deal to be discussed at this time,” she told POLITICO.

“There’s no greater crisis than global climate change, so dealing with this kind of retrograde deal is insane.”

America Hernandez in Brussels contributed to this report.

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